

Trading Places International
23807 Aliso Creek Road, Suite 100
Laguna Niguel California 92677

CC: - GML
- Jinh
- Stephanie
- Lanni

MANAGEMENT AGREEMENT

5/3
Phase III

THIS AGREEMENT, made as of the 1st day of January, 2008, by and between Summerwinds Resort Services, LLC on behalf of Stormy Point Village - Property Owners Association, Inc., (the "Association"), and Trading Places International, Inc., a California corporation (the "Manager"), is as follows:

RECITALS

- A. The Association is the duly constituted governing body of the Stormy Point Resort (the "Project") located at 3940 Green Mountain Drive, Branson, Missouri 65616.
- B. Pursuant to the provisions of the Association's Declaration of Covenants, Conditions and Restrictions (the "CC&Rs" or "Declaration"), the Association is responsible for maintaining the common elements and for cleaning, maintenance, furniture repair and replacement, housekeeping service, and general care of the units within the Project. In addition, pursuant to the CC&Rs, the Association is authorized to retain a professional property management organization and to delegate to such organization certain of the Association's powers, duties, and responsibilities.
- C. Manager is a professional property management organization fully qualified to provide total management services to timeshare resorts such as the Project.
- D. The Board of Directors (the "Board") of the Association desires to engage Manager to manage and operate the Project as contemplated by the Declaration, and Manager desires to accept such engagement, all on the terms and conditions hereinafter set forth.

THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the parties agree as follows:

TERMS AND CONDITIONS

- 1. **Engagement of Manager.** Association hereby engages Manager as the exclusive managing agent of the Project as contemplated by the Declaration, and Manager hereby accepts said appointment and undertakes to perform all of the services and responsibilities herein set forth in such capacity and to comply with all provisions of this agreement.
- 2. **Definitions.** In addition to other definitions provided for herein, the terms used herein shall have the same meaning as the meanings attributed thereto in the Declaration.

- 3.1 **Initial Term And Renewal.** Unless terminated earlier pursuant to Paragraph 3.2 below, the initial term and renewal for this agreement shall be as follows:
- a. **Initial Term.** The initial term of this agreement shall be for a period of ~~five (5)~~ ^{TWO (2)} years commencing on the date hereof.
 - b. **Renewal.** This agreement shall automatically renew upon expiration of the initial term hereof and each renewal term thereafter for successive additional ~~five (5)~~ ^{TWO (2)} year terms unless either party which is not then in material default hereunder shall have given the other party written notice of non-renewal at least ninety (90) days prior to the expiration of the then current term. Any such notice given by the Association shall require the vote or written assent of a majority of the members and a unanimous vote of the Board of Directors.
- 3.2 **Termination for Cause.** This agreement may be terminated prior to the natural expiration of any term, by either party, at any time for cause provided that, if the cause constitutes a breach or default of this agreement which is capable of being cured, such breach or default shall not have been cured within thirty (30) days following written notice of such breach or default. Such notice shall be given only after an affirmative vote or written assent of a majority of the members of the association and of the Board. In the event either party shall dispute a termination by the other pursuant to the provisions of this subparagraph 3.2, the dispute shall be submitted to arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The fee payable to the American Arbitration Association to initiate the arbitration shall be paid by the party initiating the arbitration. The cost of arbitration, including such fee, shall ultimately be borne as determined by the arbitrator under the previously mentioned commercial arbitration rules.
- 3.3 **Termination without Cause.** This agreement may be terminated by the Association without cause only by providing notice of non-renewal in accordance with the provisions of subparagraph 3.1(b). Manager may terminate this agreement at any time without cause only upon written notice of resignation to Association in accordance with subparagraph 3.4.
- 3.4 **Resignation.** Manager may resign only upon compliance with the following conditions:
- (a) **Records Transfer.** On or before the effective date of resignation designated in Manager's notice of resignation, which date must be not less than ninety (90) days from the date of notice, or upon such later date that the Association may successfully obtain the services of a substitute managing agent not to exceed one hundred eighty (180) days

following the date of notice, Manager shall turn over all books and records relating to the management and operation of the Project to the successor managing agent or to such other person or entity as the Board of Directors may designate.

- (b) **Best Efforts.** In the event Manager's resignation shall be given as provided hereinabove, the Association shall use its best efforts to obtain the services of a responsible management company to provide the Association with services consistent with industry-recognized standards so that Manager may accomplish the resignation in a timely manner.

3.5 Upon Termination. Upon Termination of this Agreement, for any reason whatsoever, the following shall occur:

- (i) The Association shall return to the Management Firm any and all copies or images of trademarks, trade names, logos or insignias of the Management Firm or any of its affiliates as well as all copies of forms, manuals, operating procedures, videos or any other items provided to the Association, for its use by the Management Firm, all of which such items are acknowledged and considered by the Management Firm as being confidential, trade secrets, and privileged property of the Management Firm and its affiliates. The Association shall remove from their computers, and return, all computer software and/or data which is the property of or provided by the Management Firm. Thereafter, the Association shall make no further direct or indirect use thereof. Any reproduction, in whole or in part or utilization of any such items both during and after the termination of this Agreement without the express written consent of the Management Firm is expressly prohibited;
- (ii) Notwithstanding the foregoing, it is agreed that data stored by the Management Firm in a printed or written format shall remain the property of the Association. Upon termination of this Agreement, the Management Firm shall return to the Association all printed, written and computer generated data and reports in the Management Firm's possession. The Management Firm shall cooperate with the Association in providing data and information requested by the Association that is maintained by the Management Firm in a magnetic or optical format. Management Firm shall cooperate with and assist Association in the conversion or transfer of such data stored in a magnetic or optical format on a time and materials basis. All said property that is readily available shall be transferred to the Association on the date which is no later than twenty (20) days prior to the termination date of this Agreement in an updated version on or about the transfer date; provided, however, that if the Association is not then substantially current in its payment of the Management Fees and Services Fees due to the Management Firm, then the Management Firm's sole obligation shall be to provide the Association with copies of any Association records, reports or data essential to the Property in their then existing form or format, but the

Management Firm shall have no obligation to make any compilations or analysis of such information, nor to provide any transition consultation, advice or other services unless or until the Association has first paid all sums then due to the Management Firm under the terms of this Agreement.

4. Duties of Association.

4.1 Cooperation. The Association shall furnish Manager with copies of any and all documents connected with the Project which may assist Manager in carrying out its duties hereunder, including without limitation, the Declaration, the Articles of Incorporation (if applicable) and the Bylaws of the Association, any notices received by the Association, any rules and regulations promulgated by the Association, the minutes of previously held meetings of the Board of Directors and owners and any written instruments executed by or on behalf of the Association. The Association shall timely provide Manager with any information not known to Manager which may be relevant to Manager's performance under this agreement. The Association shall fully cooperate with the Manager regarding Manager's performance hereunder.

4.2 Board/Manager Liaison. The Board, by majority appointment, may designate an individual who shall be authorized to deal with Manager on any matter relative to the management of the Association or the Project. The Manager will not accept direction or instruction with regard to the management of the Association or the Project from anyone other than such designee. In the absence of such an appointment by the Board, the President of the Board shall have this authority.

5. Duties and Obligations of Manager.

5.1 In General. Manager shall provide or cause to be provided all services and personnel required to administer the affairs of the Association and to manage and operate the Project as contemplated by the Declaration and applicable law at all times in a manner consistent with the provisions of the Declaration and the Bylaws of the Association and subject to the terms and conditions set forth herein. To the extent necessary, Manager shall have all the powers the Association has, pursuant to the Declaration, to perform its duties and obligations hereunder. Subject to the limitations of Paragraph 5.5 below, Manager may delegate its authority and responsibilities to one or more sub-agents for such periods and upon such terms as Manager deems proper.

5.2 Administrative Services. Not in limitation of the provisions of Paragraph 5.1, Manager shall, subject to the supervision of the Association and at the sole expense of the Association, cause the following services of an administrative nature to be provided:

- (a) **Association Meetings.** Manager shall provide assistance to the Board, as the Board may from time to time request or direct, in organizing and coordinating meetings of the Board

and of the Association, which assistance shall include the preparation and delivery of notices of meetings consistent with the requirements of the Association's Bylaws. Manager shall coordinate the preparation and approval of agendas with the Board and shall be available, as the Board may direct, to assist in the conduct of meetings and/or to oversee the election of Board members. Manager shall circulate minutes of any such meeting as required by law or the Association governing documents, as acknowledged by the Secretary of the Association, and as directed by the Board.

- (b) **Association Records.** Manager shall hold or cause to be held all records of the affairs of the Association, including but not limited to minutes of meetings, correspondence, and modifications of the Declaration, Articles of Incorporation, Bylaws, and Rules and Regulations.
- (c) **Communications.** Manager shall initiate, develop and establish effective communication with the Board of Directors, owners, and committee members, by use of newsletters, websites, meetings, and telephonic or other forms of effectual communication. Newsletter printing and delivery and website management shall be at the expense of the association.
- (d) **Association Documents.** Manager shall, from time to time as necessary or desirable, recommend to the Board that it amend, modify or supplement the Rules and Regulations, CC&Rs, Bylaws, or other documents to comply with statutes and operational requirements.
- (e) **Roster of Owners.** Manager shall cause a complete and accurate list of owners (the "Roster") to be maintained setting forth the name of each owner and the mailing address of such owner. Manager shall, upon written request from an owner and subject to Board policy, the CC&Rs, and applicable statute(s) furnish a copy of the Roster to the owner, provided that the Manager may charge a reasonable fee to such owner for the cost of reproduction of the Roster of not less than \$1.00 per name, and further provided that such owner agrees in writing to not make commercial use of the Roster.
- (f) **Committee Formation.** Manager will assist in the formation of owner committees for the purpose of and to encourage input and participation.
- (g) **Legal Issues.** Manager will assist and cooperate with Association's legal counsel in all matters as directed by the Board. Additionally, Manager will endeavor to remain current on relevant legal issues in the resort industry. However, Manager is not licensed to practice law in any state and will not provide legal advice.

5.3 **Fiscal Services.** Not in limitation of the provisions of Paragraph 5.1 above, Manager shall, subject to the supervision of the Association and at the sole expense of the Association, cause the following services of a fiscal nature to be provided:

- (a) **Budgets.** At least ninety (90) days prior to the end of the then current fiscal year and in no case less than sixty (60) days before any legally-mandated distribution requirement, Manager shall prepare and submit to the Board for approval a budget and management plan for the following fiscal year meeting the requirements of the Declaration. Each budget approved by the Board shall be called the "Budget." Manager shall distribute a copy of the Budget to all owners in a manner consistent with applicable statute(s) or, if there is no legal requirement, not less than forty-five (45) days before the beginning of each fiscal year.
- (b) **Reserve Program.** Manager shall oversee the production of reserve studies prepared through the services of an independent company specializing in the preparation of reserve programs.
- (c) **Special Assessments.** Upon determining that a special assessment is necessary, Manager shall promptly submit a recommendation that the Board consider a special assessment.
- (d) **Collection of Assessments.** Collection of assessments, including late fees and interest, if applicable, for the Property shall, under the governing instruments, be the primary responsibility of the Association. However, if the Association deems it appropriate or necessary, the Association may direct the Management Firm to collect assessments, including late fees and interest, if applicable, on behalf and in the name of the Association and enforce payment of assessments as follows:
 - (i) Prepare and mail to all owners an annual policy statement regarding collection of assessments approved by the Board;
 - (ii) Prepare and mail to all Owners periodic statements setting forth the amount of all assessments, interest, late charges, legal fees, collection charges, transfer fees, personal charges, etc., then due from each Owner;
 - (iii) Prepare and mail to any delinquent Owner a Notice of Delinquency. In the event Association requests delinquent account processing beyond the giving of said notice, Management Firm may provide, under separate agreement, account collection services through its Owner Financial Services ("OFS") division;
 - (iv) Retain legal counsel, collection services, or other appropriate parties as is reasonable to collect delinquent

assessments at the expense of the Association, subject to guidelines as established by the Board.

The assessments as to each member of the Association shall be made payable to the Association, or such other firm or entity as the Management Firm shall direct; and the Management Firm shall have the right to designate such member or members of the Association, or the Association itself, as it determines, to collect said assessments on behalf of the Management Firm and deliver same to it. Should an Owner fail to pay an assessment as provided in the Declaration, the Management Firm is authorized to deny to the Owner and/or the authorized user, the use and enjoyment of the facilities of any applicable rental in accordance with the provisions of any applicable statutes.

- (e) **Bank Accounts.** Manager shall establish the bank accounts provided for in the Declaration and as the Board may direct and, except for those amounts inuring to Manager as specified in paragraph 5.3(d) above, shall deposit or invest funds collected from owners and all other amounts collected by Manager in connection with the performance of its duties hereunder in the Association accounts designated for such purpose. The Manager shall keep accurate books and records reflecting the amount of such accounts.
- (f) **Disbursements.** Manager shall cause disbursement from the operating bank account of the Association any and all amounts required for the payment of all Association expenses incurred consistent with this agreement, the applicable Budget, as permitted by the Declaration, and as may be directed by the Board.
- (g) **Financial Statements and Audit.** Manager shall cause an audit to be conducted at the association's expense as provided for in the Declaration. Manager shall cause the financial statements provided for in the Declaration to be prepared and copies thereof distributed to each owner in the manner and at the time provided for in the Declaration or as required by applicable statute(s).
- (h) **Books and Records.** Manager shall cause to be kept and maintained full and adequate books and records reflecting the results of operation of the Association in accordance with generally accepted accounting principles. Such records shall be available to the Association and its representatives at all reasonable times for examination, inspection and transcription. At the Association's expense, distribution to all members may be directed by the Board. Copies of the Books and Records shall be available to Members at the cost of reproduction and mailing if required.
- (i) **Reporting.** Manager shall provide, cause to be provided, or assist the Association bookkeeper to provide the following reports to the Board at the frequency indicated:

1. Quarterly:

- a. Current reconciliation of the Association operating accounts.
- b. Current reconciliation of the Association reserve accounts.
- c. Latest statements prepared by the financial institutions where the Association maintains its operating and reserve accounts.

2. Monthly

- a. Current year's actual reserve revenue and expense.
- b. Income and expense statements for the Association's operating and reserve accounts (comparative income statement).
- c. Balance sheet.

All reports provided by Manager pursuant to this paragraph shall be organized according to generally accepted accounting principles. Manager shall provide, or cause to be provided, such training of the Board as may be appropriate to assist the Board in their interpretation and understanding of these reports.

- (j) **Expense Control.** Manager shall recommend and initiate reasonable cost control measures to maximize the Association's fiscal efficiency.

5.4 Physical Services. Not in limitation of the provisions of Paragraph 5.1 above, Manager shall provide the following services of a physical nature at the sole expense of the Association unless otherwise noted:

- (a) **Reservations.** Manager shall cause to be established and operated a reservation system implementing the reservation procedure set forth in the Declaration and Rules and Regulations and shall do so in a manner that has been mutually agreed between the Board and Manager to be in the best interests of the members of the Association. The reservation system shall include the books and records required to reflect reservations made, use periods actually used, and such other information as shall be necessary to coordinate efficiently the Project operation.

The Management Firm may provide the Association with computerized reservation services over Management Firm's dedicated data communications network during normal business hours, six (6) days a week, subject to the limitation of events and conditions which are beyond the Management Firm's control. The Association shall reimburse the Management Firm each month, in arrears, on a pro-rata cost basis, without mark-up to the Association, the cost of third party dedicated data network lines. The Management Firm shall use its best efforts to obtain the lowest cost vendor that is consistent with the level and quality of service determined by the Management Firm.

The Association shall be responsible for the cost of all forms, stationery supplies, printer supplies, data line charges and the maintenance and repair of the on-site equipment, owned by the Association, used in the computerized reservation system. In the event the Association requests computerized reservation services beyond what is currently being provided by the Management Firm, then the Association may be subject to additional charges for programming and hardware costs.

The Management Firm, subject to the availability of qualified personnel, shall attempt to resolve computerized reservation system and personal computer, operational and training issues via telephone without additional charge to the Association.

The acquisition cost, maintenance and training for all on-site personal computer-related hardware, software, local area networks, office wiring, communications and printing devices are the responsibility of the Association. Upon request by the Association, service may be provided by the Management Firm in accordance with negotiated fees upon the request of the service.

- (i) **Right of Entry.** During service periods and at any other reasonable time, upon giving reasonable notice if a unit is occupied, Manager is authorized to enter units whether or not during a service period and whether or not in the presence of an owner, for the purpose of 1) making emergency repairs therein, 2) abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such unit, 3) protecting the property rights and welfare of the other owners, or 4) for any other purpose reasonably related to the performance by the Association of its responsibilities under the terms of the Declaration.

The right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment of the unit by the owner, his permitted user or other occupant of such unit and shall be preceded by reasonable notice to the owner or occupant thereof whenever the circumstances permit.

- 5.5 **Limitation on Powers of Manager.** Notwithstanding the powers given to Manager as set forth in Paragraphs 5.1 through 5.4, above, Manager or any sub-agent designated by Manager shall not, without approval of the Board of Directors:

- (a) Make the final determination of estimated expenses, annual budgets and assessments based thereon; promulgate rules and regulations; enter into any contract on the Association's behalf involving more than \$10,000 in any one fiscal year; open bank accounts; purchase, hold, sell, convey, mortgage

or lease any intervals in the name of the Association; bring, prosecute or settle litigation; form a non-profit corporation; or enter into contracts with third parties to furnish goods or services for the Project for terms longer than one year or which contain a termination notice of more than thirty (30) days except as follows:

1. A contract with a public utility company at the rates regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.
2. Prepaid casualty and/or liability insurance policies not to exceed three years duration provided that the policy permits short-rate cancellation by the insured.
3. The following types of contracts if not to exceed five years duration and if lessor or provider is not an entity in which the sponsor or the managing agent has a direct or indirect undisclosed interest:
 - (i) A lease of Common Furnishing (which shall include the purchase or lease of telephone equipment);
 - (ii) A lease agreement for laundry room fixtures and equipment;
 - (iii) An agreement for cable television services and equipment or satellite dish equipment and services;
 - (iv) Agreements for burglar alarm services and equipment;
 - (v) A contract providing for the implementation of an Exchange Program at the Project.
4. Contract for a term not to exceed one (1) year for pool maintenance, pest control, linen service, housekeeping, landscape maintenance, garbage collection, elevator maintenance, and HVAC (heating, ventilation, and air conditioning) maintenance.
5. Enter into any contract in the name of the Association for goods or services not contemplated by the Budget or for amounts materially in excess of those specified in the Budget, unless the Board shall consent thereto in writing.
6. Remove the on-site general manager of the Project without first providing notice to the Board stating the reasons for such removal and outlining a transition plan.

5.6 **Limited Liability.** Manager shall not be responsible for the acts or omissions to act or conduct of any of the owners, permitted users and/or exchange users, or for the breach of any of the obligations of any of the owners, permitted users and/or exchange users.

5.7 **Association Insurance.** The Management Firm shall, at the sole cost and expense of the Association, subject to availability, cause to be placed or kept in force all insurance required or permitted in the Declarations) and applicable state statutes; act as Agent for the Association and for each Owner of any insured interest; to adjust all claims arising under said insurance policies; to bring suit thereon and deliver releases upon payment of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties; and to receive on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Declaration. Such insurance may include the following:

- (i) A policy of insurance showing the Association as the named insured, and the Management Firm as an additional insured, evidencing that the Association is insured under the Worker's Compensation Law of the State of Florida in accordance with the provisions of the applicable statutes; and
- (ii) A policy or policies of insurance showing the Association as the named insured, and the Management Firm as an additional insured, evidencing that the Association is insured against loss, embezzlement, misappropriation and misapplication of funds by the employees retained by the Management Firm; and
- (iii) A policy of insurance for Directors and Officers Liability (errors and omissions) Insurance; and
- (iv) A policy or policies of insurance showing the Association as the named insured evidencing that the Association is insured against such loss for fire, casualty, damage, loss of use, etc. in accordance with the governing documents of the Association and its Board.

All such policies shall provide that the same shall not be cancelled except upon thirty (30) days prior written notice to both the Association and the Management Firm.

5.8 **Indemnification.**

(a) **The Association's Duty to Indemnify the Management Firm.** The Association shall indemnify, hold harmless and defend, at its sole cost and expense, the Management Firm and its employees, agents, officers, directors, successors and assigns against liability for any and all claims, costs, suits and damages, including attorney's and accountant's fees arising directly or indirectly out of or in connection with the management and operation of the Property, and from liability for injuries suffered by any person relating to the Property. The

Association's duty to indemnify the Management Firm shall not extend to any acts of the Management Firm determined to be as a result of the Management Firm's gross negligence or willful misconduct. This covenant to indemnify, hold harmless and defend the Management Firm relates to any acts or omissions, statements or representations made by the Management Firm in the performance and/or nonperformance of the Management Firm's duties and relating to all contractual liabilities which may be alleged or imposed upon the Management Firm. The Management Firm need not have first paid any such claim or liability in order to be so indemnified.

(b) **The Management Firm's Duty to Indemnify the Association.** The Management Firm shall indemnify the Association and its directors, officers, agents, and employees harmless against any and all claims, suits, costs, and damages including attorneys' fees arising out of the gross negligence or willful misconduct of the Management Firm or its employees in connection with the management and operation of the Association, or the performance of this Agreement. The indemnity shall extend but not be limited to the claims brought by the Management Firm's employees against the Management Firm in connection with any employment relationship between those parties, which arise from claims of illegal or prohibited actions in hiring, supervising, promotion or discipline of such employees, unless such acts of the Management Firm are done at the direction and upon authorization of the Association, its agents, offices or directors.

- 5.9 **Miscellaneous.** Manager is further authorized to do all things reasonably deemed necessary or desirable for the proper maintenance and operation of the Project. Subject to the limitations set forth in paragraph 5.5, the foregoing includes Manager's authority to enter into single contracts on behalf of the Association for operation and maintenance of the Project provided that (a) the amount payable by the Association pursuant thereto does not exceed the amount for such items as set forth in the Budget for that fiscal year, and (b) such contracts provide that the persons or entities with whom they are made shall have no claim against the Association for any amount in excess of the amount for such service as set forth in the Budget for that fiscal year.

Notwithstanding anything to the contrary in this Article 5 and the limitations herein imposed, Manager may, on behalf of the Association, and without prior consent, expend any amount or incur a contractual obligation on behalf, and at the expense, of the Association when needed to deal with emergency conditions which do or may 1) involve a danger to life or property; 2) threaten the safety of the Project, its owners or occupants; or 3) threaten the suspension of any necessary service(s) to the Project.

6. **Compensation of Manager.**

6.1 Association Management Services. For the full and faithful performance of the operational and administrative duties provided for herein during the term hereof, manager shall be entitled to a professional management fee as described in section 6.4 below and increased as set forth in section 6.5.

6.2 Financial and Accounting Services. For the full and faithful performance of the financial and accounting duties of manager discussed in, but not limited to Section 5.3, Manager shall be entitled to an accounting and financial services fee as described in section 6.4 below and increased as set forth in section 6.5.

6.3 Reservations Services. For the full and faithful performance of the reservations duties of Manager discussed in, but not limited to item 5.4(h), Manager shall be entitled to a reservation fee as described in section 6.4 below and increased as set forth in section 6.5.

6.4 (a) Association management fees shall be \$1.50 per owner per month, or three thousand, three hundred ninety-two dollars (\$3,392.00), whichever is greater.

(b) Financial and accounting services fees shall be \$1.10 per owner per month, or two thousand, four hundred sixty-five dollars (\$2,465.00), whichever is greater.

(c) Reservations services fee shall be \$2.00 per owner per month, or four thousand, one-hundred forty-three dollars (\$4,143.00), whichever is greater.

6.5 Adjustment of Manager Compensation. In an effort to simplify the fee process, Manager will combine the fees in sections 6.1, 6.2, 6.3, into one fee. Association agrees to pay Manager ~~ten thousand~~ ^{*\$5,000.00 Jan} ~~dollars (\$10,000.00)~~ ^{5,000.00 Feb} ~~per month~~ ^{5,000.00 MAR} or \$5.50 per owner per month whichever is greater. On a monthly basis, Manager shall be entitled to additional compensation in proportion to the subsequent increase in the interval units as adjusted for new sales. Such adjustment shall automatically take effect on the first day of the month following the successful closing of the escrow and collection of maintenance fees on new sales for the current year. In the event maintenance fees are waived for whatever reason, Developer agrees to pay the member's management fees.

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*5,000.00 Jan
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10,000.00 Dec

6.6 Management Firm. It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the cost and expense of the Association and its members. It is specifically understood that the Management Firm does not undertake to pay Common Expenses from its own funds and shall only be required to perform its services, and make disbursements to the extent that, and so long as, payments received from assessments or other revenue, if any, of the Association, are sufficient to pay the costs and expenses of such services and the amounts of such disbursements.

If it shall appear to the Management Firm that the assessments and other revenue, if any, of the Association and its members are insufficient, the Management Firm shall forthwith determine such

additional assessment as is required and advise the Association and its members. The Management Firm may, but is not obligated to, loan the money to the Association to pay these assessments. In the event of such loan, the Association shall pay the Management Firm eighteen percent (18%) interest.

The Management Firm is further authorized to utilize the services of a collection agency for collection of delinquent accounts and to charge the delinquent Owner for such costs in accordance with applicable state statutes. The Fees shall be taken into consideration in setting the Common Expense and Association assessments. The Management Firm's fee from each Unit shall commence as of the first day of the month following the date of closing of a binding purchase contract for the purchase of a Unit. The Board of Directors may increase the Management Fee with a majority vote of the Board members. Notwithstanding the above, the Management Fee shall automatically increase on an annual basis in accordance with the then current Consumer Price Index.

In the event the Association becomes twenty (20) or more days delinquent in the payment of amounts due, the Management Firm shall have the right to suspend providing any and all services as provided for in this Agreement until such time as the Association's account with the Management Firm is brought current.

6.7 Discounts and Rebates. All discounts and rebates relative to the operation of the Association or Project shall inure to the benefit of the Association.

6.8 Payment and Solicitation of Employees, Financial Sources, Subagents, etc.; Non-Competition with the Management Firm. The Salary and other related expenses (including without limitation, payroll taxes and the cost of employee benefits) or other compensations for any Association Employee shall be the expense of the Association though paid by the Management Firm, and the Management Firm shall be entitled to reimburse itself from funds of the Association on a semi-monthly basis for such expenditures, which reimbursement shall be in addition to and separate from the Fees paid to the Management Firm.

The Association and the Management Firm, on behalf of themselves and their affiliates, each acknowledge and agree that the current employees, agents, subagents, consultants, sources of financing and other professional resources of the Management Firm represent a human resources investment and/or an asset of the Management Firm's business. Accordingly, the Association agrees that they shall not, during the term of this Agreement and within twelve (12) months after the termination hereof, solicit for employment or accept employment of any employee, agent, subagent, consultant, source of financing or other professional resource of the Management Firm absent the express written consent of the Management Firm for which such individual or individuals previously worked. In the event of violation by the Association of this covenant regarding solicitation of or acceptance of employment of such employees, agents or consultants, the breaching party shall reimburse to the entity for whom such individual previously worked, as liquidated damages and as reimbursement for

retraining and replacement costs, in an amount equal to the salary or other compensation received by such wrongfully solicited or employed individual for the twelve (12) month period immediately preceding termination of such individual's employment by the non-breaching party.

The Association acknowledges that in the course of the activities anticipated hereunder it may be privileged to certain information which would be valuable to any party seeking to submit a proposal to the Association's Board of Directors for the provision of management or management-related services which are currently being provided by Management Firm and/or its affiliates or agents. During the term of this Agreement and for a period of two (2) years after its termination, the Association shall not disclose any non-public, privileged or sensitive information to any other party who, to the extent reasonably ascertainable by the Association, may use such information to gain a competitive edge or advantage in seeking to offer such services to the Association.

7. **Notices.** Any notice required or permitted hereunder shall be in writing and shall be deemed received when delivered via facsimile transmission, followed on the same day or the next business day by any form of overnight express mail, and addressed as follows:

If to the Association:

Stormy Point Village Phase III
Property Owners Association Inc.
3940 Green Mountain Drive
Branson, MO 65616
Attn: President

If to the Manager:

Trading Places International
23807 Aliso Creek Rd., Suite 100
Laguna Niguel, CA 92677
Attn: President

The addresses and addressees for the purpose of this paragraph may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received, the last address, fax number, and addressee stated by written notice, or as provided herein if no written notice of change has been received, shall be deemed to continue in effect for all purposes hereunder.

8. **Waiver.** The waiver or failure to enforce any provision of this agreement shall not operate as a waiver of any future breach of such provision or of any other provision hereof.
9. **Merger.** All understandings and agreements heretofore had between the parties respecting the employment contemplated by this agreement are merged by this agreement which fully and completely expresses the agreement of the parties. There are no agreements except as specifically set forth in this agreement or to be set forth in the instruments or other documents delivered or to be delivered hereunder.
10. **Amendments.** No change in, addition to, or waiver or termination of, this agreement or any part thereof shall be valid unless in writing and signed by or on behalf of each of the parties hereto.

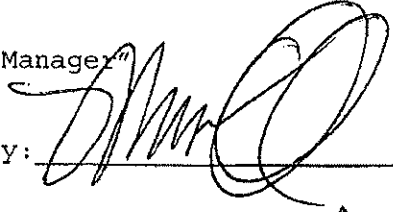
11. **Paragraph Headings.** The paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this agreement.
12. **Successors and Assigns.** All of the terms and provisions of this agreement shall be binding upon and inure to the benefit of, and be enforceable by, the parties and each of their respective successors and assigns. The obligations or duties of Manager may be assigned without the prior written consent of the Board.
13. **Attorney's Fees.** In the event any controversy, claim or dispute between the parties hereto arising out of or relating to this agreement or the breach thereof results in arbitration or litigation, the prevailing party in such proceedings shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.
14. **Severability.** Every provision of this agreement is intended to be several. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality shall not affect the validity of the remaining provisions within the agreement.
15. **Choice of Law.** This agreement is made pursuant to and shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first above written.

"Association" *naunt Eshby*

By: 

Title: *naunt Eshby*

"Manager" 

By: 

Title: *BALE VICE PRESIDENT*